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Samsung CSI China Dragon Internet ETF

Stock Code: 02812
(the “**Sub-Fund**”)

*(a sub-fund of Samsung ETFs Trust II (the “**Trust**”), a Hong Kong umbrella unit trust, authorised under Section 104 of the Securities and Futures Ordinance (Cap. 571) of Hong Kong)*

Announcement

Amended and Restated Trust Deed and Update to offering documents to comply with revised SFC Code on Unit Trusts and Mutual Funds (the “Code**”) and non-compliance with Chapter 7.1A of the Code**

Unless otherwise stated, capitalised terms used in this Announcement shall have the same meaning ascribed to them in the prospectus of the Trust and the Sub-Fund dated 31 December 2019.

Samsung Asset Management (Hong Kong) Limited, the Manager of the Trust and the Sub-Fund (the “**Manager**”), wishes to inform Unitholders of the Sub-Fund of the following updates in relation to the Trust and the Sub-Fund:

A. Amended and Restated Trust Deed and Update to offering documents

The Trust Deed of the Trust (the “**Trust Deed**”) will be amended by way of an amended and restated trust deed effective 31 December 2019 (the “**Effective Date**”). The prospectus of the Trust (the “**Prospectus**”) and the product key facts statement of the Sub-Fund (“**KFS**”) will also be amended on the Effective Date.

The purpose of amending and restating the Trust Deed and updating the Prospectus and KFS is to incorporate changes in compliance with the requirements of the revised Code. The revised Code came into effect on 1 January 2019 with a 12-month transition period for existing schemes (i.e. funds previously authorised by the SFC).

The changes to the Trust Deed relate to the following:

- (a) the investment restrictions applicable to the Sub-Fund will be revised to reflect the updated investment restrictions under Chapter 7 and Chapter 8.6 (unlisted index funds and index tracking exchange traded funds) of the revised Code. Investors can refer to the section titled “Investment Objective, Strategy and Restrictions, Securities Lending and Borrowing” in the Prospectus for the revised investment restrictions;
- (b) investment restrictions under Chapter 8.2 (money market funds), Chapter 8.8 (structured funds) and Chapter 8.9 (funds that invest extensively in financial derivative instruments) of the revised Code will also be included in the Trust Deed for future sub-funds of the Trust (as may be applicable), although the Sub-Fund do not fall under these chapters of the revised Code and hence these are not applicable to the Sub-Fund;
- (c) enhanced obligations of the Trustee and the Manager respectively under the revised Code; and
- (d) other changes to comply with the revised Code.

The Prospectus and KFS will also be amended on the Effective Date to reflect the abovementioned changes.

B. Non-compliance with Chapter 7.1A of the Code

A collective investment scheme authorised by the SFC under the Code is usually subject to the investment restriction under Chapter 7.1A of the Code, which provides that subject to Chapters 7.1 and 7.28(c) of the Code, the aggregate value of that scheme’s investments in, or exposure to, Entities within the Same Group through the following may not exceed 20% of the Net Asset Value of that scheme:

- (a) investments in Securities issued by such entities;
- (b) exposure to such entities through underlying assets of FDIs; and
- (c) net counterparty exposure to such entities arising from transactions of over-the-counter FDIs.

Given the index tracking nature of the Sub-Fund and the nature of the Index, upon consultation with the SFC and as permitted under Chapter 8.6(h)(b) of the Code, the aggregate value of the Sub-Fund’s investments in, or exposure to, Entities within the Same Group through investments in Securities issued by such entities is subject to a cap of 35% (not 20%) of the Net Asset Value of the Sub-Fund, subject to the condition that the Sub-Fund will not use derivatives for any purpose.

The Prospectus will be updated in this connection.

C. Other updates

Other changes will also be made to the Prospectus and KFS, including:

- (a) disclosure relating to the use of derivatives of the Sub-Fund will be added in the Prospectus and KFS; and
- (b) other minor and miscellaneous updates, including drafting changes, updates to or removal of information that is out of date, updates to the list of Participating Dealers

and Market Makers, updates to index methodology and updates to market data and risk disclosures.

D. General

For the avoidance of doubt, (i) the investment objective and policies of the Sub-Fund will remain unchanged; (ii) the abovementioned changes will not amount to material changes to the Sub-Fund; (iii) there will be no material change or increase in the overall risk profile of the Sub-Fund; and (iv) the abovementioned changes do not materially prejudice the interests of Unitholders.

The change of Trust Deed does not require Unitholder's approval pursuant to the Trust Deed and applicable laws and regulations. The Trustee agrees to the change of Trust Deed.

The revised Prospectus and KFS will be published on the Manager's website at www.samsungetf.com.hk (this website has not been reviewed by the SFC) and HKEx's website at www.hkex.com.hk. Copies of the Trust Deed, as amended, will be available for inspection free of charge at any time during office hours at the office of the Manager (see address below) from the Effective Date.

Investors who have any enquiries regarding the above may contact the Manager at 4513-14, Two International Finance Centre, 8 Finance Street, Central, Hong Kong or on +852 2115 8710 during office hours.

Samsung Asset Management (Hong Kong) Limited
三星資產運用 (香港) 有限公司
as Manager of the Trust and the Sub-Fund

31 December 2019